

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

RECEIVED
DEPARTMENT OF JUSTICE
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REGISTRATION UNIT
CRIMINAL DIVISION

SUPPLEMENTAL STATEMENT

Pursuant to Section 2 of the Foreign Agents
Registration Act of 1938, as Amended

APR 01 1977

For Six Month Period Ending _____
(Insert date)

Name of Registrant **CORPORACION DE FOMENTO
DE LA PRODUCCION** Registration No. 401

Business Address of Registrant
**One World Trade Center - Suite 5151
New York, New York 10048**

I - REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(2) Citizenship	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(3) Occupation	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(b) If an organization:

(1) Name	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(2) Ownership or control	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(3) Branch offices	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Explain fully all changes, if any, indicated in Item 1.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name

Position

Date Connection
Ended

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? ☒ Yes No ☐

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
Isidoro Luis A. Palma	2 Soundview Terrace Greenwich, Connecticut 06830 "	Chilean	Asst. to the President	7-1-76
Jorge Fernando Claro	- Bethesda Montgomery, Ma. 20016		Economic Counselor	2-15-77

Jorge Fernando Claro - Bethesda Montgomery, Ma. 20016 Economic Counselor Chilean Emb.

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? Yes ☒ No ☐

If yes, identify each such person and describe his services.

Isidoro Luis A. Palma: Analysis of trends concerning US and European economies; economic and financial assistance to Chilean public enterprises and other government projects.

Jorge Fernando Claro : Preparation of reports concerning economic matters.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	Position or connection	Date terminated
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7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence Address	Position or connection	Date connection began
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II - FOREIGN PRINCIPAL

8. Has your connection with any foreign principal ended during this 6 month reporting period?
Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of Termination

-
9. Have you acquired any new foreign principal¹ during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

-
10. In addition to those named in Items 8 and 9, if any, list the foreign principals¹ whom you continued to represent during the 6 month reporting period.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

We handled a) the procurement and shipments of capital goods for enterprises under Chilean government sponsorship and interest, which C & F value for this period was of approximately \$ 17,086,411.90 representing 5,737 tons shipped;
b) the servicing of loans under foreign credit arrangements of principal and interest, which during this period was of approximately \$ 40,360,287.07

¹ The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Corporacion de Fomento de la Produccion through its CHILE ECONOMIC NEWS monthly newsletter, provides information about the Chilean economy; the most frequent subjects are: finance, foreign investments, agro-industrial developments and trade. Also, reproduction of statistical tabulations related to the Chilean economy.

Our President, Mr. Sergio Undurraga delivered a lecture about Chile's Economic Process and the Andean Pact at the American Management Association Seminar on Chile held March 9, 1977. Attached copy of the lecture.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals?

Yes ☐ No ☒

If yes, describe fully.

² The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS - MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.³

<i>Date</i>	<i>From Whom</i>	<i>Purpose</i>	<i>Amount</i>
Attached, details in Exhibit No.14(a)			\$ 119,240,794.57

Total \$ 119,240,794.57

14. (b) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁴ other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the

15. (a) DISBURSEMENTS - MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
Attached, details in Exhibit No.15(a)			\$ 697,819.80

Total	\$ 697,819.80
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15. (b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value⁵ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Date disposed</i>	<i>Name of person to whom given</i>	<i>On behalf of what foreign principal</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value⁵ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

<i>Date</i>	<i>Amount or thing of value</i>	<i>Name of political organization</i>	<i>Name of candidate</i>
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V - POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.

Corporacion de Fomento de la Produccion de Chile

⁵ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda?
Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper ☐ Motion picture films ☐ Letters or telegrams
articles

☐ Advertising campaigns ☐ Press releases ☒ Pamphlets or other publications ☐ Lectures or speeches

☐ Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☒ Libraries

☒ Legislators ☒ Editors ☒ Educational institutions

☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups

☐ Other (Specify) _____

21. What language was used in this political propaganda:

☒ English ☐ Other (specify) _____

22. Did you file with the Registration Section, Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period?

Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act?

Yes ☒ No ☐

VI - EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

- (a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A⁶ Yes ☐ No ☐

Exhibit B⁷ Yes ☐ No ☐

If no, please attach the required exhibit.

- (a) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period?

Yes ☐ No ☐

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

⁶ The Exhibit A, which is filed on Form OBD-67 (Formerly DJ-306) sets forth the information required to be disclosed concerning each foreign principal.

⁷ The Exhibit B, which is filed on Form OBD-65 (Formerly DJ-304) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. EXHIBIT C

If you have previously filed an Exhibit C⁸, state whether any changes therein have occurred during this 6-month reporting period.

Yes ☐ No ☐

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements, been filed by all of the persons named in Items 5 and 7 of the supplemental statement?

Yes ☐ No ☒


If no, list names of persons who have not filed the required statement.

Jorge Fernando Claro, Economic Counselor to the Chilean Embassy in Washington.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)


Ricardo Corssen
Vice President
CORPORACION DE FOMENTO
DE LA PRODUCCION

Subscribed and sworn to before me at One World Trade Center, Suite 5151
New York, New York 10048

27th day of April, 19 77
Notary Public, State of New York
No. 24-0754125
Qualified in Kings County
Certificate Filed in New York County
Commission Expires March 30, 1979
My commission expires March 30, 1979


(Signature of notary or other officer)

⁸ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, Department of Justice, Washington, D.C. 20530.

CHILE'S ECONOMIC PROCESS
AND THE ANDEAN PACT

The following remarks were made by Mr. Sergio Undurraga, President of the New York Office of CORFO (Corporacion de Fomento de la Produccion de Chile) and Alternate Governor of Chile at the World Bank and International Monetary Fund, at the American Management Association Seminar on Chile held March 9, 1977 on the topic of Chile's Economic Process and the Andean Pact.

Chile was one of the original promoters of the Andean Pact, carrying out the country's long tradition of Americanism and upholding its conviction that the continent's economic integration would be accelerated and strengthened through broad economic development in a group of nations pursuing similar objectives.

When the Latin American Free Trade Association - LAFTA - agreement was signed in 1960, the prevailing theory was that an increase in regional trade would result in an improved allocation of resources, speed the growth of those sectors where each nation held comparative advantages, and that market expansion would lead to healthy competition directly in benefit of consumers.

There was also the fact that the Latin American countries had had chronic balance of payment difficulties so that an increase in the volume of trade would contribute to alleviation of this problem.

LAFTA Agreements increased trade but, unfortunately, the differences in economic structures and industrial levels among countries made the integration process difficult.

The Andean Market, and the Central American market were in a way a response to some of these difficulties for

they brought together countries of similar economic development and consumption levels which could, at least in theory, follow the integration process with greater ease.

The group of Andean nations - ANCOM - joined later by Venezuela, established in 1965 an ambitious program for integration and implementation of economic policies.

This is not the appropriate time to discuss the history of ANCOM in detail, but the principal actions which emerged as problems to Chile's continued membership in the Andean Pact were:

First, and perhaps most important, disagreement was in reference to common external tariffs. The other countries proposed the adoption of relatively high tariffs which would induce development through a system commonly known as an "inward-looking industrialization policy." Chile, on the other hand, advocated a level of external tariffs which would not exceed 35 per cent. Other nations advocated tariff levels up to four times that figure. It is interesting to note that an independent economist such as the World Bank's Bela Balassa has argued that levels in the order to those suggested by Chile will generate maximum economic benefits for the region as a whole. Chile was speaking from experience because it had already suffered the consequences of the high tariffs policies, for reasons we will discuss later, that

tended toward a more open economy. In the long negotiations that took place we were unable to find a level of industrial protection compatible with the aspirations of the other governments which would, at the same time, be compatible with Chile's own long-term policies. Chile does not believe that a regional import substitution policy would generate much broader benefits than those achieved at the level of the individual countries involved.

These differences constituted the core of the conflicting positions and it related to the degree of autonomy each nation could retain on such vital economic matters.

A second source of discrepancy was the treatment of foreign investment. This subject has been widely discussed in the press so it is more easily understood.

Chile's position is well known. Results stemming from the famous Decision 24 of the Andean Pact indicated that these provisions were a large obstacle - although not the only one - to increase the flow of foreign capital into the area.

Statistical evidence suggests that since 1971 foreign capital had been diverted from the area and decreased in most countries in absolute terms. Exceptions to this trend are centered in the mining and extraction fields which are basically outside Decision 24, a fact that reinforces our conclusion.

(Please refer to Table 1.)

Chileans feel that Latin American countries need foreign capital for their development and that, perhaps with the exception of Venezuela, all the others, to a higher or lower degree, would benefit from an increase in long-term capital flow.

Chile, much to its regret, did not find the understanding and support needed for a solution or compromise that would enable it to remain in ANCOM without seriously compromising its national interests.

Chile, however, is not totally out of ANCOM. There is an ANCOM-CHILE committee which will continue to govern the relationship between the two parties with regard to various matters. It will be concerned also with the implementation of the four areas in which Chile is still a signatory of the Pact: Decision 40, which avoids double taxation among the member nations; Decision 46, dealing with the establishment of Latin American multi-national companies in the region; Decision 56, concerning integration on the transport of heavy material on highways, and Decision 94, which creates the main Andean transportation system for medium distances.

What is the impact of the Chilean decision? (Please refer to Tables 2 and 3.) In 1975, total trade with the area accounted for 8 per cent of all Chilean exports and 16 per cent of the imports. However, the great bulk of this trade

will continue because it is ruled by the agreements included in the LAFTA charter. Trade derived from the Andean Pact agreement does not account for more than 2 per cent of Chile's exports.

But we must say that some Chilean industries will suffer. The most adversely affected will be in iron and steel manufacture, parts for durable goods, fruit canning, and, possibly, some copper fabricating.

As shown in Table 2-B, most of Chile's industrial and agricultural exports to ANCOM are balanced by trade of similar proportions with LAFTA countries as a result of Chile's natural advantages or because they are covered mainly by LAFTA agreements. This is also true with regard to Chilean imports.

In summary, the immediate economic consequences to Chile's withdrawal from ANCOM are not very serious.

Chile's withdrawal from ANCOM, however, was only a second best solution. A more flexible approach to the common external tariff on the part of the other members, could have made possible Chile's participation in a group of attractive potential.

Unfortunately, the other countries did not choose a "second best" but perhaps a "third best" solution, since

excessive protection will lead to less efficient production and an even slower integration process. Indicative of this is the fact that since Chile's withdrawal the ANCOM nations have postponed for three years new agreements on industrial sectorial distribution, and for one year those on tariffs.

As mentioned earlier, Chile's foreign exchange policy was not compatible with that resulting from ANCOM agreements. What is this policy? In order to explain it, it will be necessary to briefly mention the general economic policy framework adopted in 1974.

It is a well-known fact that from 1970 to 1973, Chile experienced a radical shift to a socialist economy with a clear Marxist orientation, even though under any standard, Chile in 1970 was a country that could be classified as "socialist" in terms of what European socialism is today.

As already known, the Marxist ideology maintains that all means of production must belong to the State. Consequently, in that period a great part of industry, mining, banks and wholesaling was taken over by the Government.

That Administration adopted an expansionist policy in which the fiscal deficit came to represent 23 per cent of the G.N.P., eventually developing into one of the highest inflation rates in the world - estimated at 1,000 per cent per annum in 1973.

In addition, consumer prices and the rate of exchange were fixed arbitrarily and nominal salaries were increased much beyond the rate of growth of inflation and productivity.

The consequences were devastating - heavy deficits in the balance of payments, default on servicing the foreign debt, black markets, rampant inflation, production decreases, and strong decline in real income. (See Charts 1 through 6.)

When the present Government took power, a new policy was developed so as to normalize the functioning of the economy and establish the groundwork for future growth. The basic policies may be summarized as follows:

The establishment of a mixed economy, based on a market system where the private and public sectors will play complementary roles. In this way, for example, the State maintains control of basic areas such as copper, oil, electricity, steel and coal, but has sold back to the private sector State industries in textiles, foodstuffs, cellulose, fisheries, manufacturing, commerce, and banks.

Foreign trade plays an important role in determining domestic prices. Thus custom tariffs have been reduced in order to encourage competition and avoid creation or existence of monopolies.

Fiscal and monetary policies are aimed at reducing inflation.

Exchange and foreign trade policies are designed to increase and diversify exports, and to promote better allocation of resources.

Savings and investment policies seek to foster the development of internal capital markets and to provide an opportunity to new foreign investments which will place the foreign investor on an equal basis with local investors.

In general, these economic policies aim to further development founded on the basic concepts of market economy in which the State will have a subsidiary role while protecting both public and private interests.

In this context, therefore, foreign trade policies are indeed of far-reaching consequence.

Since the 1940's, Chile promoted industrial development by implementing protectionist measures, gradually increasing import duties. The result of this approach was the growth of an over-diversified industry where certain sectors had great difficulty or were unable to reach a reasonable level of efficiency, mainly because they could not enjoy the advantages of massive production and large-scale economies that big internal markets make possible.

Also, agricultural imports were left unprotected in order to reduce internal prices and the cost of living.

The most evident consequences of these policies were a depressed level of foreign trade together with persistent balance of payments difficulties and an escalating foreign debt. Agriculture was at a standstill and the country was becoming more dependent on the export of a single product - copper. (See Tables 4, 5 and 6.)

On top of this, in 1973, foreign currency reserves were exhausted and the country was falling deeper into debt. Foreign debt servicing that year accounted for more than 30 per cent of exports. As a further indication of the critical problem, the value of the total amount of food imports was only slightly less than the total of copper exports.

We may conclude, therefore, that the principal bottleneck preventing long-term growth was faulty foreign trade policies.

The new foreign trade policies provided for:

- 1) A realistic exchange rate, defined as the value needed to adjust the balance of payments to equilibrium levels, assuming full servicing of the foreign debt and a normal price for copper.

- 2) A permanent adjustment of the exchange rate to reflect the internal inflation plus periodic adjustments according to the rise and fall of the balance of payments

due to external events.

3) A tariff reduction from a maximum of 200 per cent in 1973 to an expected maximum of 35 per cent in 1980.

4) A new set of simplified import and export procedures.

5) The taxation of imports with the same value added tax rate as for domestic commodities as well as a drawback of such tax for exporting activities.

These policies produced the following results:

a) An increase in non-copper exports from US\$ 370 million in 1973 to US\$ 750 million in 1976.

b) A growth in non-traditional exports (those excluding mining, pulp and paper) in the same period from US\$ 69 million to US\$ 440 million.

c) A decline of 55 per cent in agricultural imports between 1973 and 1976.

d) A surplus in the balance of payments of US\$ 475 million in 1976.

In citing the above figure, we should take into consideration the fact that copper price was extremely depressed and that Chile has to import two-thirds of its petroleum requirements.

e) In 1976, Chile met all its foreign debt servicing obligations by paying some US\$ 800 million.

f) In global terms, exports increased from US\$ 1.2 million in 1973 to US\$ 2 billion in 1976. Imports followed suit.

In this period, exports to LAFTA countries alone grew from US\$ 140 million to US\$ 400 million, while imports from the region jumped from nearly US\$ 300 million to over US\$ 600 million.

Meantime, the ANCOM situation was as follows:

Chilean exports increased from US\$ 24 million to US\$ 100 million and imports expanded from US\$ 63 million to nearly US\$ 200 million. (See Table 2a.)

During the three year period of 1970-1973, ANCOM's trade remained essentially unchanged, which leads to the obvious conclusion that a country with an open economy is a better business partner in an integration process. This has been the case not only in Chile but also in Europe and in European-U.S. relations.

On the basis of the facts reported here, and the grave economic situation of the country, it is only logical to conclude that it was virtually impossible for Chile to continue the foreign trade policies of the past without

seriously jeopardizing its future growth.

It is only fair to state that a certain pressure for greater protectionism does exist in Chile today. This is due largely to the fact that the normalization of the balance of payments has softened the sense of crisis which prevailed until 1975.

In taking a look at the over-all picture, the increase of non-traditional exports can only be recognized as a very successful operation, clearly showing the benefits of having opened the doors to expanded foreign trade.

Agricultural exports, for example, which amounted to US\$ 128 million in 1976 were almost enough to completely finance the country's wheat imports for that year.

In the case of industry, export of non-traditional items would permit the financing of the importation of 100,000 compact automobiles per year at the international market price. Chile's annual production of motor vehicles has reached a maximum of 30,000 automobiles but their cost to the consumer has been about three times the international market price without providing many new job opportunities. But to protect the national automobile industry Chile has made an exception in this situation by maintaining a protectionary tariff of 115 per cent in the automotive industry.

Many similar examples could be used to make the point that Chile's foreign trade policies have succeeded in generating a better allocation of domestic resources. The industrial sectors that produce basic consumer items have not been adversely affected by this policy except for some products in the textile area. Others, like leather, footwear and food, have clearly benefitted. Industries that serve the construction industry have not suffered in any way from foreign competition. If there has been any negative impact in construction it has come from a reduction in governmental expenditures and from reallocation of resources in the financial market.

The automotive and electronic sector have been perhaps the most affected while the most favored have been cellulose and paper, copper products, frozen foods, seafood, wines, and lumber.

The foreign trade policy has stressed foreign investments, facilities for the movement of capitals, and the use of foreign credits by the private sector. After withdrawing from ANCOM, Chile has revised its laws on foreign investments. The fundamental philosophy is to open the doors to foreign capital and grant conditions equal to those existing for local investors.

The principal policy elements in connection with foreign investment are: 1) freedom to repatriate capital and earnings; 2) tax equality; 3) existence of stable and impersonal norms.

Chile has learned that the process of negotiating terms for each investment is long and complex and that the lawyers for the investor assume that what has been agreed upon in the last investment contract is the minimum they can get for their client. In this way there is an escalation to obtain better terms, thus tending to interfere with the general policy of equality which the Government wishes to maintain and which, in the long run, is the best insurance against possible changes in the rules of the game. It is for that reason that the new Foreign Investment Law comprises a set of impersonal rules which will operate automatically. The negotiation process will concentrate especially on possible investments in non-renewable raw materials which, by their very nature or because they belong to the State, require special treatment.

In the analysis of the foreign trade policy, it was mentioned that the exchange rate was adjusted daily. The reason for this was the high degree of internal inflation. It is important to review this in greater detail since it is one of the most important and difficult problems the world faces, not excluding Chile.

Chile has a history of inflation extending over more than 100 years with annual rates fluctuating between 10% and 70% - with some lower rates in the early 1960's and higher rates in the mid 1950's. This process of somewhat

controlled inflation exploded in June 1972. In fact, the annual rate of inflation doubled in the August to October period of that year and it had doubled again by June 1973.

Recent publications made by Washington-based international lending institutions assert that the above figures are gross underestimates of the real loss in consumer purchasing power because of the black market. According to those reports, the annual inflation rate by June 1973 rose to almost 1,000 per cent. The present Government, which took power after that crisis, realized that inflation was only a symptom of more serious structural problems.

During the first six months, most price controls - except for some 30 basic items - were eliminated. As a result, recorded prices increased considerably but did not affect the real prices paid by consumers a few weeks earlier.

Therefore, during the last quarter of 1973 and most of 1974, the observed inflation rate was of a "corrective" type. Nevertheless, the inflation rate hit 746.2 per cent by April 1974, confirming the magnitude of the chaos created by the previous Government's policies.

In 1970, fiscal expenditures were equivalent to 27 per cent of the G.N.P., about 10 per cent of which was deficit spending. By 1973, fiscal spending was 43 per cent of the G.N.P. and its deficit skyrocketed to over 55 per cent of

the total amount spent. These deficits had to be covered by the Central Bank.

The anti-inflationary policy started within a rather complex atmosphere. It was first necessary to correct the serious imbalances in foreign trade, internal prices, salaries, fiscal structure, and tariffs so that monetary control could be made to work effectively.

From the beginning, the authorities recognized the difficulty and complexity of the task undertaken and because of that they adopted what I called a "gradual policy" to control inflation. Initially, discussions considered drastic alternatives such as monetary reforms and price controls, but it became evident that until the fiscal deficit problems were corrected, as well as those related to the management of State-owned enterprises, these drastic alternatives would not have lasting success.

The gradual policies initiated in 1974 were concentrated on resolving the most serious problems of the public enterprises by developing a strategy to transfer a significant number of small and medium-sized companies to the private sector.

Simultaneously, emphasis was given to increase productive efficiency in all sectors, but especially copper mining, agriculture, and exports.

At the same time, a process of money restriction was started. The monetary policy was aimed at the reduction of the rate of expansion of money supply which by the end of 1973 had reached 30 per cent per month.

In 1974, a sharp rise in fuel and food prices in the world market made the adjustment problems even more difficult. Nevertheless, the consumer price index which by April of that year had reached an annual rate of 746 per cent, declined to 376 per cent by December.

In 1975, copper prices fell sharply from US\$ 1.50 per pound to US\$ 0.52, creating new pressures on the fiscal deficit since tax revenue from the copper mining industry was one of the Government's main sources of income. Consequently, a policy had to be formulated to cope with this unforeseen problem.

During 1975 and 1976, a comprehensive monetary and fiscal program was adopted. It resulted in significant reduction in deficit spending, currency emission and, consequently, inflation. During 1976, Government spending represented 27.4 per cent of the G.N.P. with a deficit of less than 10 per cent of expenditures, approximately the same levels as those registered in 1970. Such improvements were the direct result of higher taxes, heightened efficiency in Government operations, reduction in Government expenditures and postponement of investment programs.

In 1976, the inflation rate was reduced to 173 per cent and for this year a rate below 100 per cent is expected.

This means that inflation has been reduced to one-tenth of its peak figure.

The adoption of such a monetary and fiscal policy within Chile's highly inflationary environment created a great number of technical and practical problems that are not common in other parts of the world. To mention a few is in order here.

It is well accepted that inflation can be viewed as a form of taxation on the cash balances held by individuals or private companies. This is based on the fact that the value of money decreases and that loss is equivalent to a tax. Since this "inflation" tax is not compulsory, individuals and companies seek to avoid it by maintaining minimum balances. Thus, while the demand for money is reduced, the velocity of circulation increases. This phenomenon complicates monetary policies enormously.

In Chile, for example, the stock of money has been reduced to about 4 per cent of the G.N.P., compared to ratios of 25 to 30 per cent in stable economies. This small monetary base implies that any external or unforeseen event, such as a reduction in the world copper price, an increased flow of foreign capital or a national physical disaster, could generate a very large proportionate increase

in money supply. Thus, if the fiscal deficit were to grow to about 10 per cent of expenditures, that increase, if financed by the Central Bank, would double the amount of money in circulation and increase the rate of inflation. Similarly, an increase in the inflow of foreign exchange, if not fully sterilized by increased imports, could force the Central Bank to sell pesos in the domestic market and thus again step up the inflationary cycle.

In 1975, the principal cause of currency emission was the fiscal deficit. In 1976, it was due to foreign trade and the accumulation of reserves by the Central Bank. These reserves had increased by US\$ 450 million.

Additional expansion factors originated in the structural changes of the financial system and in the need to expand the internal credit.

In 1974 the Government established new norms for the financial sector which would allow and stimulate an increase in savings, as well as a more efficient allocation of resources. For this purpose, it authorized the establishment of new financial entities, such as development banks, financial companies and savings cooperatives.

The interest rate liable for taxation was defined as that amount left after subtracting the inflation percentage from the income earned by the capital. The taxable interest

rate was thus defined as a real interest rate.

In addition, the tax system was modified in two ways: a value added tax was introduced to replace the former sales tax, and secondly, the inflationary phenomenon was introduced through the monetary correction in Balance Sheets and Income Statements.

In order to correct the inequities produced by inflation, the Government adopted a program in 1975 of quarterly readjustments in wages and salaries, in accordance with the inflation just occurred. In this way, a severe reduction in real income was avoided and as inflation decreases, this mechanism allows for increases in real salaries.

One could talk at great length on inflation and the several imbalances affecting the Chilean economy. It is important to note that the inflationary process is one of "open inflation", that is, it has avoided artificial price controls and rates of exchange. The Government has tried both to reduce the distortions created by high inflation rates and to proceed gradually to the elimination of the factors generating it.

The struggle against inflation has not been easy. On the contrary, the effort and sacrifices demanded from the country have been enormous.

The international conjuncture has been adverse and the economy that was very weak in 1973 is slowly recuperating.

In 1975, due to the copper price fall and the increase in oil costs mentioned earlier, the country suffered a loss of more than US\$ 1 billion, equivalent to 11 per cent of its G.N.P. To confront this situation and to avoid even more inflation, the fiscal budget was drastically reduced, which had a strong impact on domestic activity, especially in the construction and housing areas. The rate of exchange was increased above the normal long range level, thus restricting imports and accelerating the growth process of non-traditional exports. Under these circumstances, the G.N.P. fell by 12 per cent during 1975. Last year, especially starting with the second semester, the economy started to grow again (See Table 10.) The increase in the G.N.P. was at the rate of about 5 per cent and for 1977 is expected to increase 6 per cent or perhaps more. The inflation rate will continue decreasing and it is possible that it will be reduced by half again, as occurred in the past. Towards the end of 1977, it is expected that inflation will reach levels considered to be normal in the past. That is, an inflation of about 2 per cent per month. These rates would still be quite high in international terms, especially compared to the United States.

The important and interesting aspect of the Chilean inflation is openness with adjusting and compensating mechanisms which have eliminated past inequities and exaggerated distortions in the allocation investment fund.

Perhaps these mechanisms, to a certain extent, serve as a brake to slow down too rapid a fall in inflation, but at the same time they make this policy viable on a long term basis.

Chileans have developed quite ingenious methods to live, or better said, to survive inflation. Under the circumstances described above, the economy was able to grow in 1974 and 1976, and no doubt will continue to do so in 1977. The radical fall of income in 1975 was basically the result of external problems beyond internal control except, perhaps, via further foreign indebtedness. The Government's decision to adopt difficult and quite painful adjustment measures will probably insure its success in the future.

T A B L E 1-A
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BOOK VALUE US. DIRECT INVESTMENT					
END OF EACH YEAR					
	<u>1960</u>	<u>1965</u>	<u>1970</u>	(US\$ millions) <u>1974</u>	<u>1975</u>
<u>GROUP 1</u>					
CHILE	738	829	748	600	299
PERU	446	515	691	895	1212
COLOMBIA	424	527	691	629	648
VENEZUELA	<u>2569</u>	<u>2715</u>	<u>2696</u>	<u>1772</u>	<u>2065</u>
Sub-total 1	4177	4580	4826	3896	4224
 <u>GROUP 11</u>					
ARGENTINA	472	992	1288	1155	1122
BRASIL	953	1073	1843	3658	4563
MEXICO	<u>795</u>	<u>1173</u>	<u>1774</u>	<u>2825</u>	<u>3177</u>
Sub-Total 11	2220	3242	4905	7638	8862
 <u>GROUP 111</u>					
BOLIVIA, ECUADOR PARAGUAY & URUGUAY	144	219	615	940	921
 TOTAL LATIN AMERICA (including CENTRAL AMERICA & PANAMA.)	8387	9371	12201	19620	16527

SOURCE: U.S. Department of Commerce

TABLE 1-B (cont.)

ANNUAL GROWTH RATES

	<u>1960 - 65</u>	<u>1965 - 70</u>	<u>1970 -75</u>
GROUP I	1.89	1.03	2.6
GROUP II	7.87	8.63	12.6
GROUP III	<u>8.75</u>	<u>22.94</u>	<u>8.4</u>
TOTAL LATIN AMERICA	2.24	5.42	6.25

TABLE 2-A

CHILE'S MAIN TRADING PARTNERS

(IN U.S. \$ MILLIONS)

	1970		1973		1974		1975 (Est.)
	EXP.	IMP.	EXP.	IMP.	EXP.	IMP.	EXP.
1. <u>LAFTA</u>	<u>152</u>	<u>188</u>	<u>144</u>	<u>294</u>	<u>409</u>	<u>624</u>	<u>390</u>
ANCOM	22	45	24	63	68	176	106
ARGENTINA	78	93	75	166	169	323	166
BRAZIL	24	25	34	34	144	85	98
OTHERS	28	25	11	31	28	40	19
2. <u>EUROPE</u>	<u>754</u>	<u>328</u>	<u>636</u>	<u>416</u>	<u>1122</u>	<u>493</u>	<u>674</u>
3. <u>U.S.A.</u>	<u>177</u>	<u>344</u>	<u>106</u>	<u>179</u>	<u>286</u>	<u>416</u>	<u>147</u>
4. <u>JAPAN</u>	<u>150</u>	<u>28</u>	<u>217</u>	<u>35</u>	<u>407</u>	<u>49</u>	<u>187</u>
5. <u>REST</u>	<u>16</u>	<u>43</u>	<u>128</u>	<u>174</u>	<u>256</u>	<u>329</u>	<u>265</u>
TOTAL	<u>1249</u>	<u>931</u>	<u>1231</u>	<u>1098</u>	<u>2480</u>	<u>1911</u>	<u>1661</u>

TABLE 2-B

Table 2
MAIN CHILEAN EXPORTS IN 1975 TO ANDEAN PACT AND LATIN AMERICAN FREE TRADE ASSOCIATION (LAFTA) NATIONS
 (in thousands of US\$)

	<u>Andean Pact</u>	<u>Other LAFTA</u>	<u>Total LAFTA</u>
Traditional Exports	23,946	140,626	164,572
Refined Copper	949	75,034	75,983
Fish Meal	210	816	1,026
Paper	9,020	16,261	25,281
Cellulose	11,995	36,582	48,577
Iron	—	5,118	5,118
Computer Cardboard	1,772	5,776	7,548
Unrefined Copper	—	1,039	1,039
Non-Traditional Exports	68,577	76,206	144,783
Agricultural:	7,149	7,832	14,981
Prunes	—	1,091	1,091
Almonds	—	1,161	1,161
Nuts	—	2,487	2,487
Apples	4,052	719	4,771
Pears	372	219	591
Grapes	373	1,040	1,413
Lentils	2,352	668	3,020
Raisins	—	447	447
Industrial:	37,569	47,096	84,665
Vehicle Motor Parts	131	3,145	3,276
Chemical Products	149	1,248	1,397
Pine Lumber	408	10,802	11,210
Other Woods	—	1,295	1,295
Wine	2,155	992	3,147
Malt Barley	3,975	2,833	6,808
Fruit Preserves	1,526	—	1,526
Gasoline	2,002	—	2,002
Nitrate Fertilizer	111	5,511	5,622
Barley	853	637	1,490
Beans	1,482	—	1,482
Manufactured Iron	11,195	6,029	17,224
Manufactured Copper	13,582	7,571	21,153
Polyethylene	—	7,033	7,033
Other:	23,859	21,278	45,137
Total Exports	92,523	216,832	309,355

Source: Central Bank of Chile

TABLE 3

MAIN EXPORT ITEMS TO

ANCOM COUNTRIES

1975

(IN U.S. \$ MILLIONS)

I. <u>Bolivia</u>		IV. <u>Peru</u>	
Agricultural Prod.	2.7	Agricultural Prods.	2.6
Oil & Gas Prod.	0.7	Oil & Gas Prods.	2.1
Rubber Prod.	0.5	Chemical Prod.	0.7
Pulp & Paper Prod.	0.8	Pulp & Paper Prod.	10.6
Textiles	0.8	Metal Prods.	1.1
Metal Prod.	1.5	Metal Mechanics	2.1
Metal Mechanics	0.6		
II. <u>Colombia</u>		V. <u>Venezuela</u>	
Agricultural Prod.	7.8	Agricultural Prods.	6.9
Pulp & Paper Prod.	5.6	Chemical Prods.	1.9
Chemical Prod.	0.6	Pulp & Paper Prods.	4.7
Metal Prod.	9.1	Metal Prods.	4.7
Metal mechanics	1.1		
III. <u>Ecuador</u>			
Agricultural Prods.	0.6		
Chemical Prods.	0.5		
Pulp & Paper Prod.	1.9		
Metal Prods.	9.0		

TABLE 4

CHILE'S EXPORTS

ANNUAL AVERAGES

(IN U.S. \$ MILLIONS)

	<u>1953 - 58</u>	<u>1959 - 64</u>	<u>1965 - 70</u>	<u>1971 - 73</u>	<u>1974 - 76</u>
<u>Total Exports</u>	<u>414.2</u>	<u>498.4</u>	<u>896.0</u>	<u>1060.4</u>	<u>1838.7</u>
1. Copper	262.6	325.0	688.0	807.3	1204.8
2. Non-Copper	152.6	173.4	208	253.1	633.9
A. Agricultural	23.7	26.0	25.2	28.4	91.9
B. Industrial	37.3	39.7	102.1	210.3	369.3
C. Others	91.6	107.7	80.7	14.4	172.7

(IN %)

	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>Total Exports</u>					
1. Copper	63	65	77	76	66
2. Non-copper	37	35	23	24	34
A. Agricultural	6	5	3	3	5
B. Industrial	9	8	11	20	20
C. Others	22	22	9	1	9

TABLE 5

CHILE'S EXPORTS

(in US\$ millions)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976(est.)</u>
<u>TOTAL EXPORTS</u> (Shipments)	<u>1247.5</u>	<u>2152.5</u>	<u>1552.1</u>	<u>1978.7</u>
I <u>MINING</u>	<u>1132.6</u>	<u>1806.9</u>	<u>1075.4</u>	<u>1406.0</u>
A. Copper	1025.6	1653.5	890.4	1223.1
B. Iron	61.6	72.7	90.9	95.6
C. Nitrate	34.4	60.8	55.2	38.6
D. Others	11.0	19.9	38.9	48.7
II <u>AGRICULTURE AND SEA PRODUCTS.</u>	<u>25.5</u>	<u>55.0</u>	<u>86.1</u>	<u>128.6</u>
III <u>INDUSTRIAL</u>	<u>89.4</u>	<u>290.6</u>	<u>390.6</u>	<u>444.1</u>
A. Food	21.3	49.1	101.8	85.4
B. Pulp & Paper Products	33.1	115.0	93.7	133.6
C. Chemicals and Petroleum Deriv.	6.9	42.2	46.4	67.7
D. Basic Metal Manufactures	6.7	29.5	58.6	57.9
E. Metal-mechanics & Electrical	4.5	9.6	42.4	48.4
F. Others	16.9	45.2	47.7	51.1
<u>TRADITIONAL EXPORTS</u> (Mining, Fishmeal and Pulp & Paper Prod.)	1177.7	1953.0	1198.3	1582.6
<u>NON-TRADITIONAL EXPORTS</u>	69.8	199.5	353.8	396.1

T A B L E 6

C H I L E ' S I M P O R T S

(in US\$ millions)

		annual average						
		<u>1960-70</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976(est.)</u>
I	FOOD	265	313	527	819	649	382	271
II	NON-FOOD Consumption Goods	121	146	216	88	232	99	97
III	CAPITAL	380	404	257	392	322	298	348
IV	NON-FOOD INTERMEDIATE Prods.	550	789	716	913	1331	1103	924
	PETROLEUM DERIVATES	(49)*	(93)	(101)	(98)	(368)	(294)	(313)
V	TOTAL	1316	1652	1716	2212	2534	1882	1640

*Annual Average
1965-70

T A B L E 7

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ANNUAL AVERAGE RATE OF GROWTH AT MARKET PRICES

REAL TERMS

	<u>1960-65</u>	<u>1966-70</u>	<u>1971-73</u>	<u>1974-75</u>
AGRICULTURE	1.88	2.69	-4.40	7.99
MINING	5.04	4.92	0.50	5.26
INDUSTRY	7.33	3.60	3.00	-15.98
CONSTRUCTION	7.08	0.71	-3.77	-6.37
UTILITIES	8.08	3.67	10.04	6.31
TRANSPORTATION & COMM.	13.92	3.78	1.87	-7.33
TRADE	3.94	4.47	1.73	-10.39
BANKING SERVICES	0.80	17.34	-4.15	10.47
OTHER SERVICES	4.02	2.27	2.00	-5.15
G. N. P.	5.40	4.72	1.89	-4.91

T A B L E 8

COPPER PRICES

LONDON MARKET

US\$ PER POUND

	Nominal Price	Real Price (in US\$ 1976)
1960	30,77	60,09
1961	28,71	56,30
1962	29,26	57,20
1963	29,30	57,46
1964	43,98	86,07
1965	58,64	112,47
1966	69,47	129,01
1967	51,13	94,74
1968	56,10	101,43
1969	66,54	115,78
1970	64,10	107,56
1971	49,27	80,16
1972	48,57	75,57
1973	80,78	111,15
1974	93,27	107,91
1975	55,94	59,30
Enero 1976	54,12	
Febrero	55,31	
Marzo	60,23	
Abril	68,47	
Mayo	68,70	
Junio	70,29	
Julio	74,70	
Promedio Enero - Julio 1976	64,55	

Fuente : Banco Central de Chile
precio real : deflactado por IPM - USA.

T A B L E 9 .
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AGGREGATE SUPPLY INDICATORS

ANNUAL GROWTH (in %) AS OF DECEMBER 1976.

1. ELECTRICITY, All Uses	6.23%
2. ELECTRICITY, Industry	15.14% (Jan.-Sept.)
3. DIESEL OIL	2.45%
4. FUEL OIL	11.07%
5. INDUSTRIAL OUTPUT	12.2 %
6. RAILROAD SHIPMENTS (tons)	20.64%
7. UNEMPLOYMENT	-27.27% (December rate = 13.6 in greater Santiago.)

CHART I

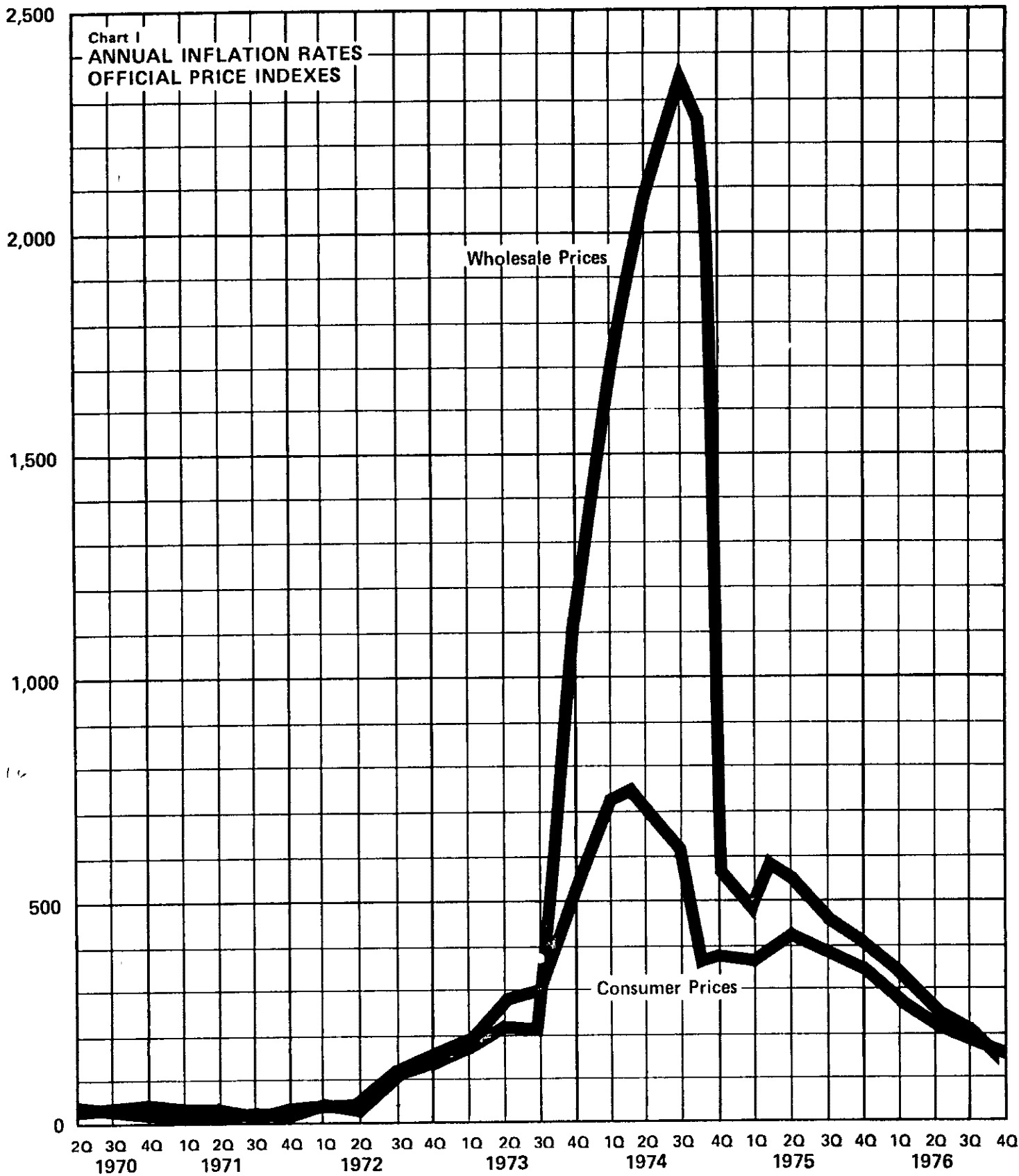


CHART 2

GASTOS, INGRESOS Y DEFICIT FISCAL 1960 - 1976
MONEDA NACIONAL Y EXTRANJERA
(en millones de dólares de 1976) 1/

	G A S T O S					I N G R E S O S					DEFICIT (-) SUPERAVIT (+)	
	1/ GASTO FISCAL	2/ AJUSTES EXTRAPRES.	3/ GASTO TOTAL	4/ SERVICIO DEUDA	5/ GASTO TO- TAL EXCL. (4)	6/ IMPGOS. DIRECTOS	7/ IMPGOS. INDIRECTOS	8/ CORRE INGRESOS	9/ OTROS INGRESOS	10/ TOTAL IN- GRESOS CTES.	11/ AJUSTES EXTRANJEROS	12/ INGRESOS TOTALES
1960	1,326.32	-	1,326.32	127.57	1,198.75	215.31	610.00	171.32	56.41	1,053.04	-	1,053.04
1961	1,401.69	-	1,401.69	162.89	1,238.80	262.13	646.27	141.72	46.77	1,094.89	-	1,094.89
1962	1,523.73	-	1,523.73	146.82	1,376.91	256.01	654.33	174.78	60.02	1,145.14	-	1,145.14
1963	1,463.57	65.66	1,529.23	178.75	1,350.48	256.91	645.15	169.23	56.32	1,117.79	65.66	1,183.45
1964	1,467.89	43.25	1,511.14	166.60	1,344.54	296.97	736.88	203.04	53.49	1,182.28	43.25	1,225.53
1965	1,738.13	63.08	1,801.21	166.67	1,634.54	409.03	736.88	233.04	53.49	1,432.44	63.08	1,495.52
1966	1,834.51	117.09	1,951.60	153.02	1,798.58	546.78	803.16	311.13	62.67	1,757.69	117.09	1,874.78
1967	1,740.93	110.31	1,851.24	180.48	1,670.76	440.24	803.16	311.13	62.67	1,637.20	110.31	1,747.51
1968	1,859.82	69.35	1,929.17	187.46	1,741.71	427.59	904.87	308.99	72.55	1,714.00	69.35	1,783.35
1969	1,896.60	231.49	2,128.09	231.99	1,896.10	409.04	967.86	389.69	83.31	1,849.90	231.49	2,081.39
1970	2,244.81	224.82	2,469.63	271.74	2,197.89	439.47	1,126.81	63.60	128.03	1,985.81	224.82	2,210.63
1971	2,947.99	81.61	3,029.60	300.58	2,729.02	568.85	1,075.89	39.20	79.88	1,889.29	81.61	1,970.90
1972	2,756.71	272.16	3,028.87	106.34	2,922.53	408.43	1,075.10	26.43	95.37	1,601.40	106.18	1,707.58
1973	2,496.53	1,532.67	4,029.20	127.45	3,901.75	467.94	975.10	26.43	43.09	1,564.84	215.07	1,779.91
1974	3,249.43	-	3,249.43	576.15	2,673.28	544.66	1,089.93	220.52	43.09	1,899.60	-	1,899.60
1975	2,233.52	-	2,233.52	464.81	1,768.71	542.24	1,136.09	185.55	64.22	1,928.10	-	1,928.10
1976												

1/ Deflactadas por el IPM - USA.

GASTOS, INGRESOS Y DEFICIT FISCAL 1960 - 1976
MONEDA NACIONAL Y EXTRANJERA
COMO PORCENTAJE DEL PIB 2/

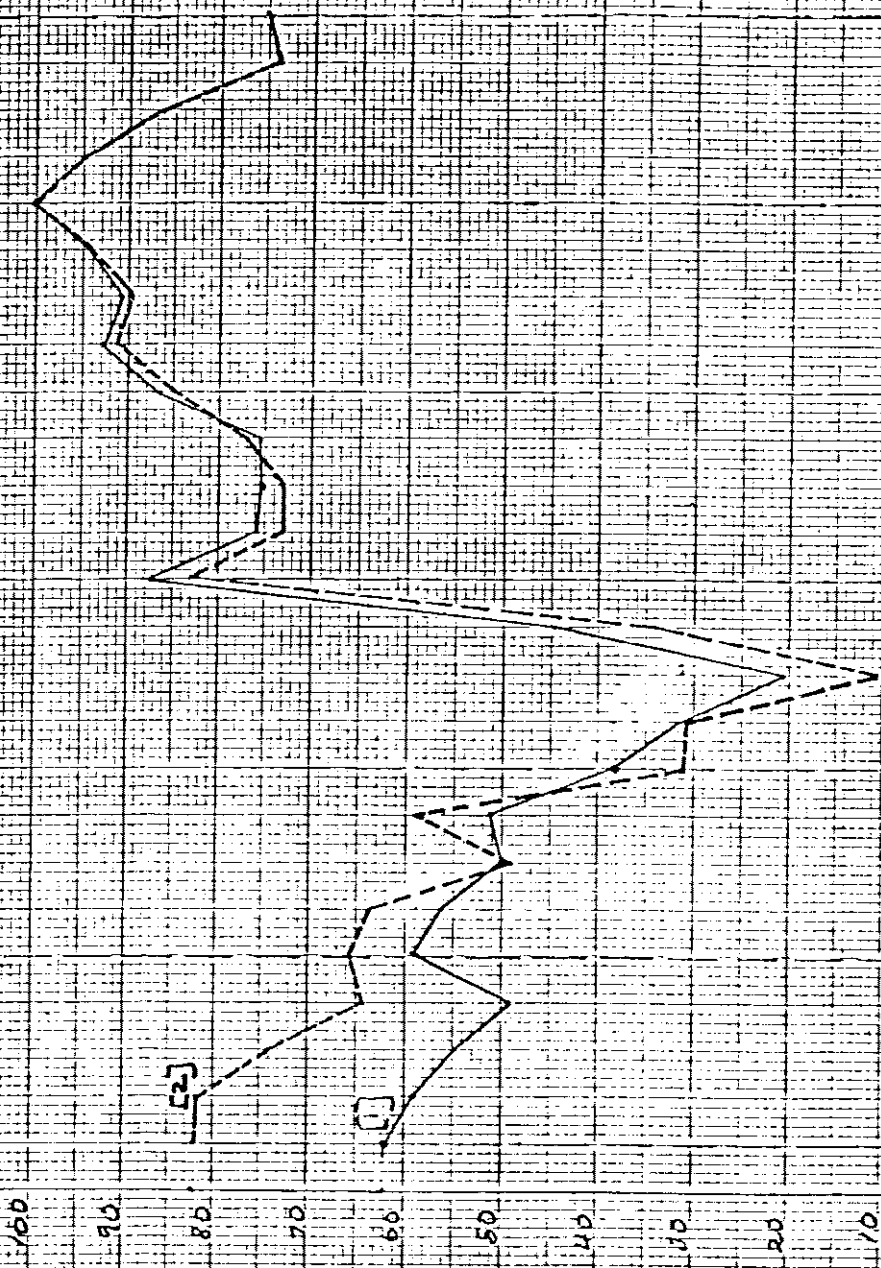
	G A S T O S					I N G R E S O S					DEFICIT (-) SUPERAVIT (+)	
	1/ GASTO FISCAL	2/ AJUSTES EXTRAPRES.	3/ GASTO TOTAL	4/ SERVICIO DEUDA	5/ GASTO TO- TAL EXCL. (4)	6/ IMPGOS. DIRECTOS	7/ IMPGOS. INDIRECTOS	8/ CORRE INGRESOS	9/ OTROS INGRESOS	10/ TOTAL IN- GRESOS CTES.	11/ AJUSTES EXTRANJEROS	12/ INGRESOS TOTALES
1960	22.53	-	22.53	2.17	20.36	3.66	10.36	2.91	0.96	17.89	-	17.89
1961	22.44	-	22.44	2.60	19.84	4.20	10.34	2.27	0.75	17.56	-	17.56
1962	23.31	-	23.31	2.25	21.06	3.92	10.01	2.67	0.92	17.52	-	17.52
1963	20.49	0.96	21.45	2.60	18.85	3.60	9.39	2.46	0.82	16.27	0.96	17.23
1964	23.10	0.61	23.71	2.33	21.38	4.15	8.70	2.86	0.78	16.49	0.61	17.10
1965	22.78	0.84	23.62	2.22	21.40	5.44	9.79	3.10	0.71	19.04	0.84	19.88
1966	22.10	1.45	23.55	1.90	22.33	6.79	9.72	4.55	0.76	21.83	1.45	23.28
1967	21.10	1.34	22.44	2.19	20.25	5.34	9.74	4.01	0.76	19.85	1.34	21.18
1968	21.89	0.82	22.71	2.20	20.51	5.03	10.65	3.64	0.85	20.17	0.82	20.99
1969	21.60	2.63	24.23	2.64	21.59	4.65	11.01	4.43	0.95	21.04	2.63	23.67
1970	24.65	2.47	27.12	2.99	24.13	4.83	11.01	4.94	1.04	21.81	2.47	24.28
1971	30.06	0.83	30.89	3.27	27.62	5.80	11.51	0.65	1.30	19.26	0.83	20.09
1972	28.15	2.78	30.93	1.09	29.84	4.17	10.96	0.40	0.81	16.34	1.09	17.43
1973	26.43	16.23	42.66	1.35	41.31	4.96	10.32	0.28	1.01	16.57	2.28	18.85
1974	33.05	-	33.05	5.86	27.19	5.53	11.05	2.24	0.50	19.32	-	19.32
1975	26.16	-	26.16	5.44	20.72	6.35	13.31	2.17	0.75	22.58	-	22.58
1976												

2/ PIB en dólares de 1976 : ver cuadro correspondiente al Gasto del Producto Geográfico Bruto.

CHART 3

INDEX OF REAL EXCHANGE RATE
(BASE 75 = 100)

(1) Dependent by Official Customs Tolls
(2) Dependent by World Bank C.P.T.



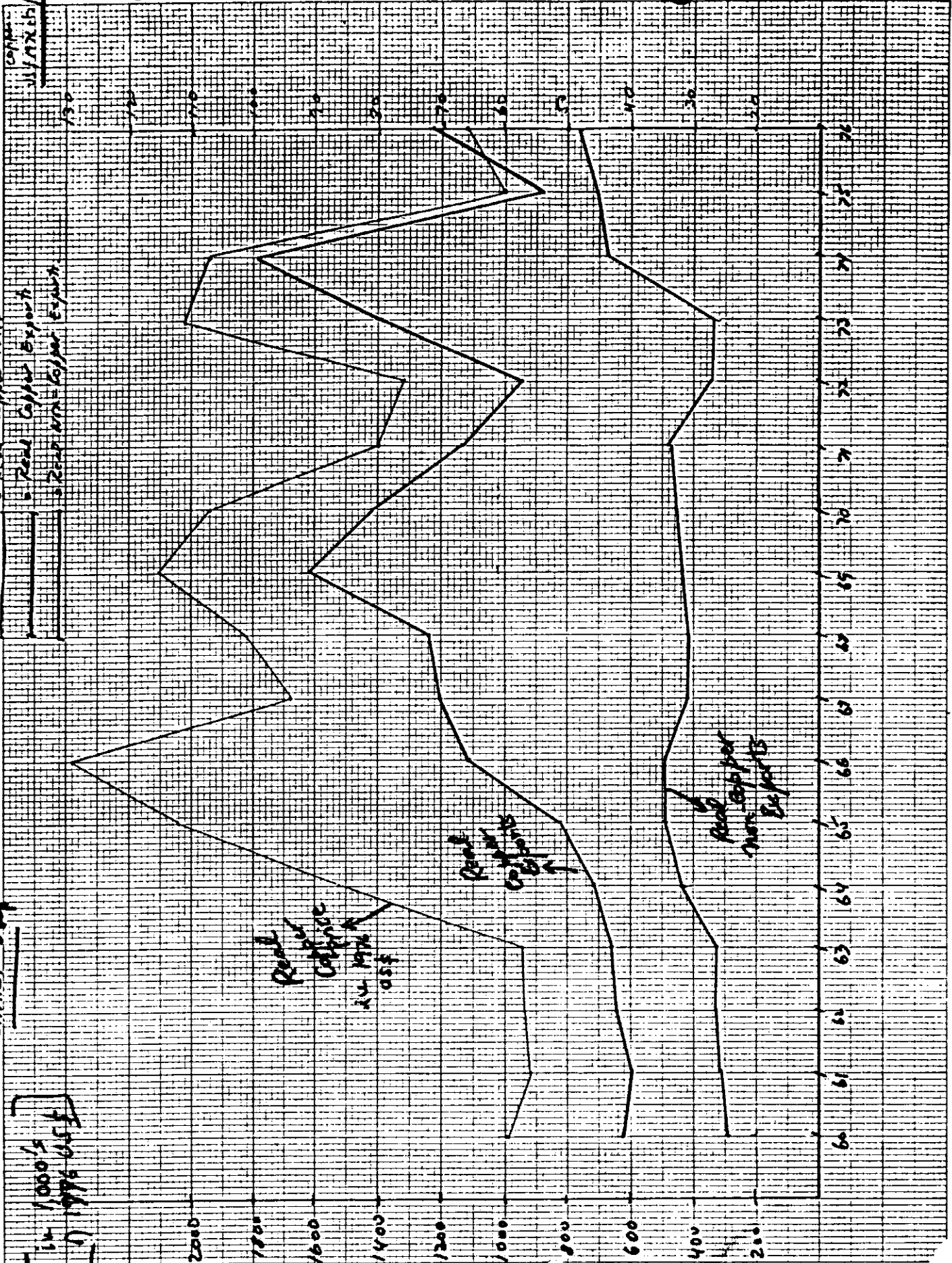
70 71 72 73 74 75 76

Real price of

CHART 114

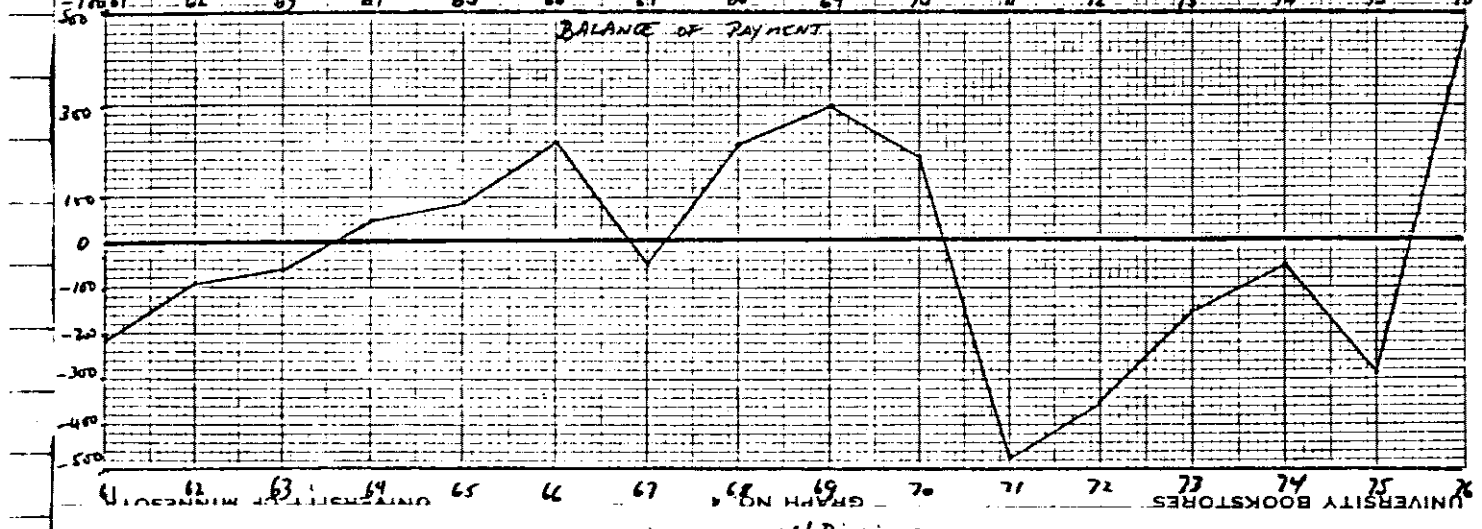
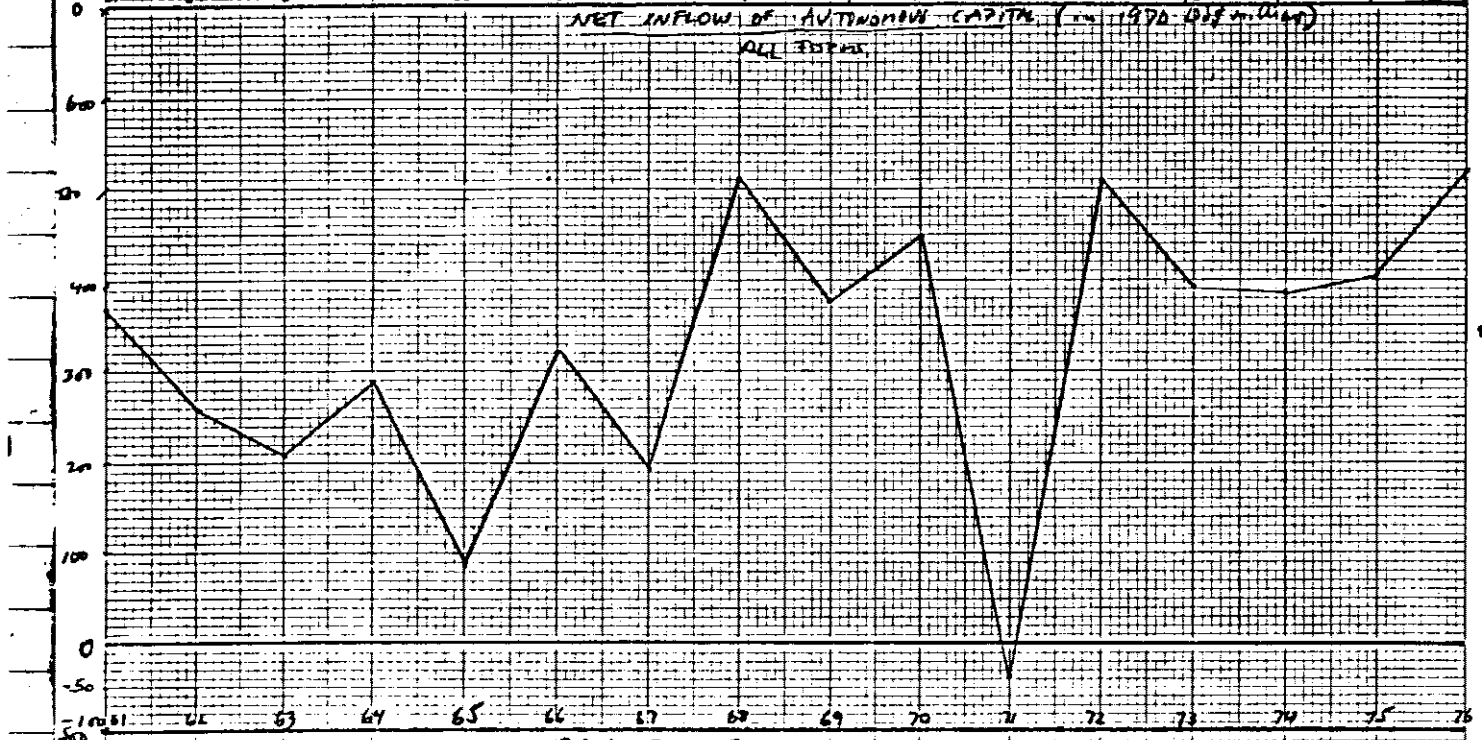
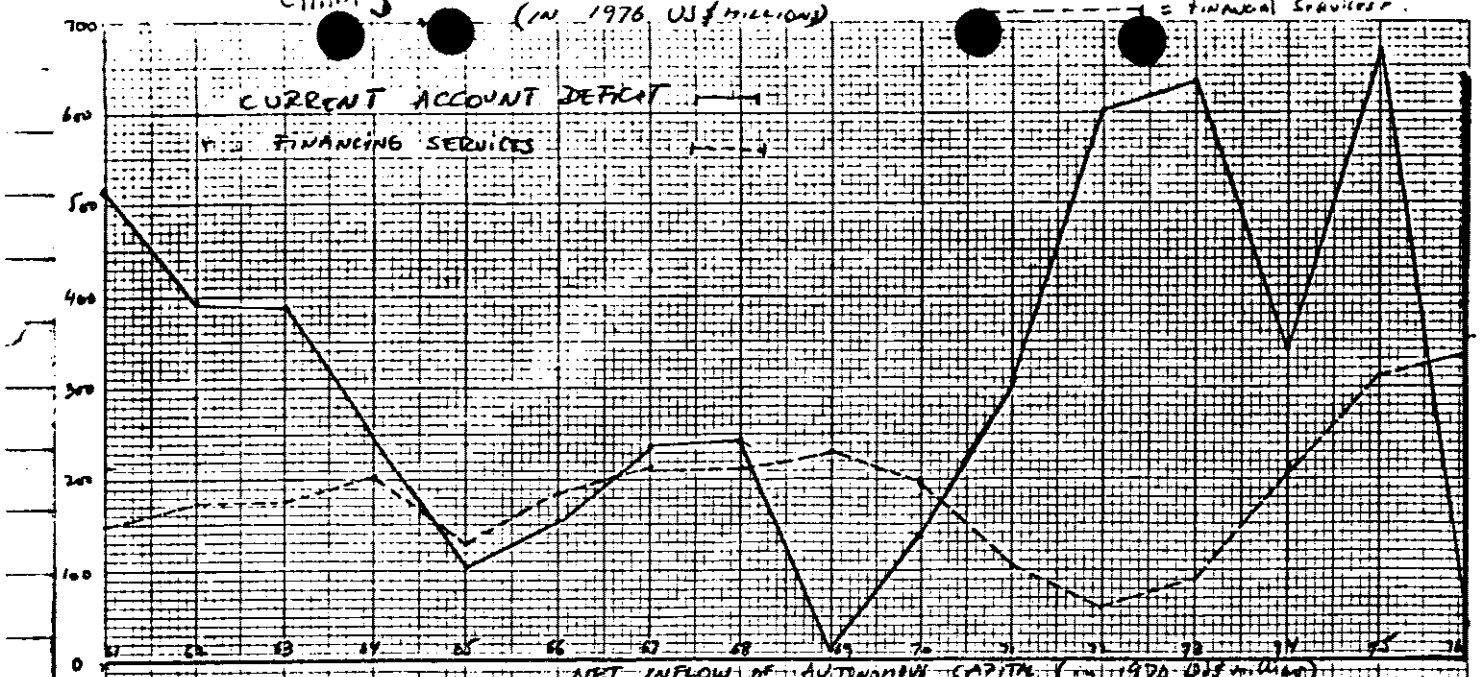
[in 1000's
of 1976 US\$]

Real Copper Price
Real Copper Export
Real US - Copper Export



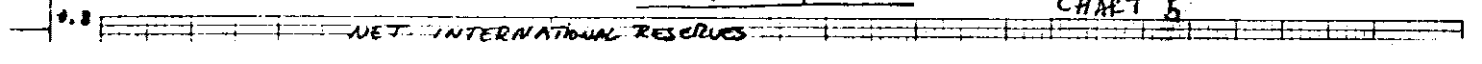
UNITED STATES (IN 1976 US\$ MILLIONS)

FINANCIAL SERVICES



IN 1976 US\$ BILLIONS

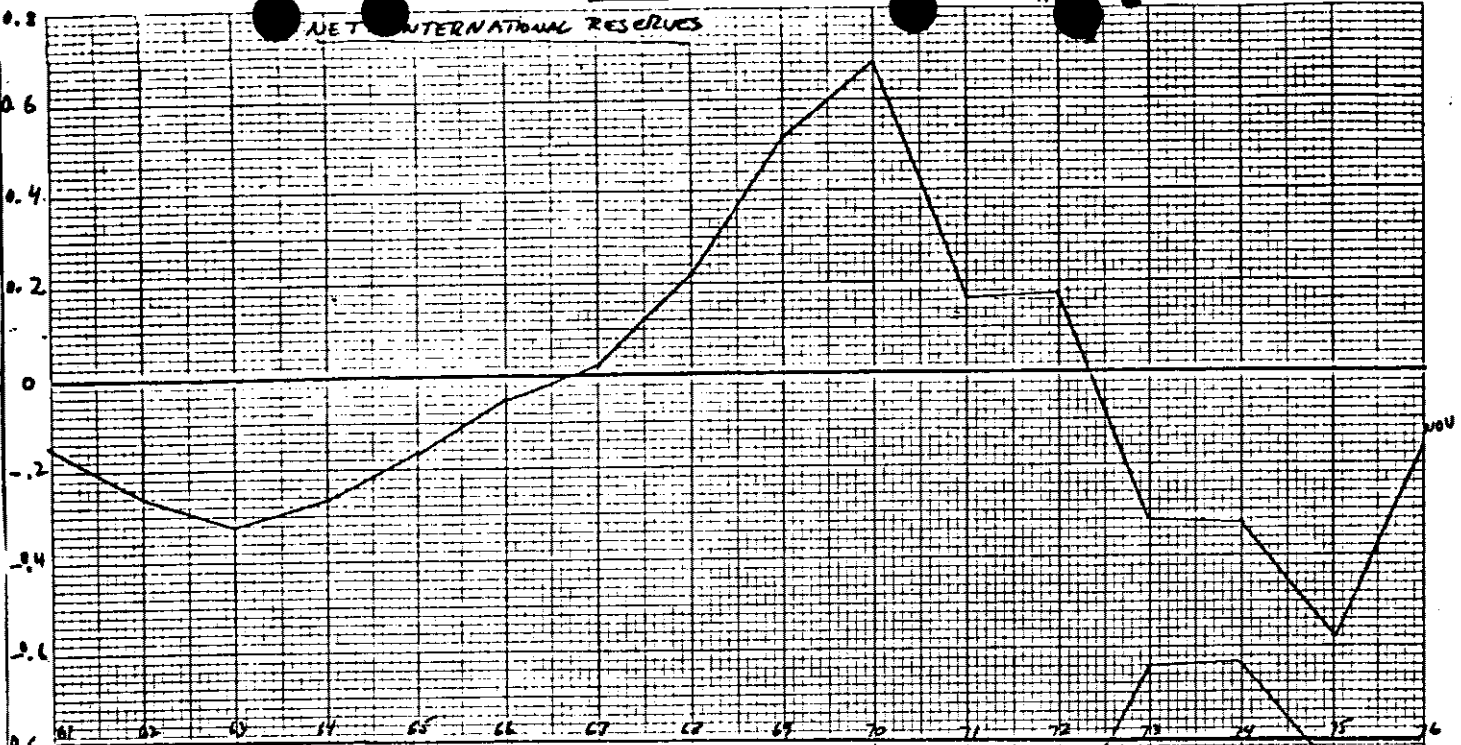
CHART 5



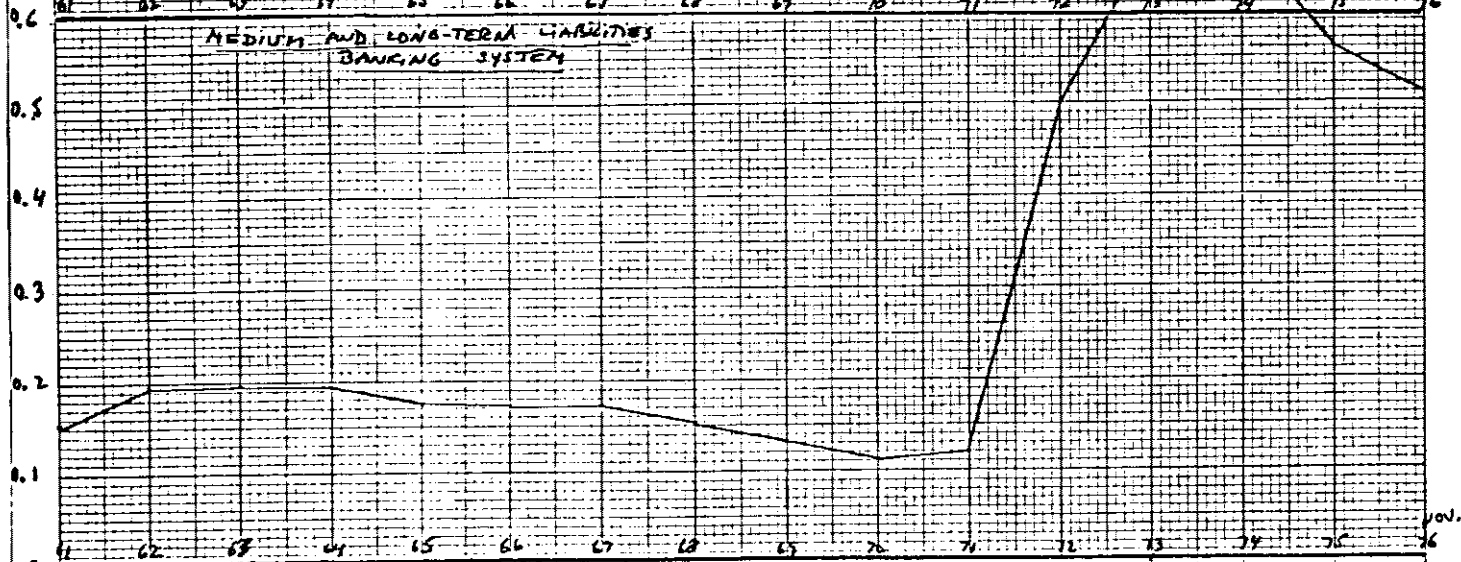
IN 1976 US\$ BILLIONS

CHART 6

NET INTERNATIONAL RESERVES



MEDIUM AND LONG-TERM LIABILITIES
BANKING SYSTEM



TOTAL EXTERNAL DEBT (NET)

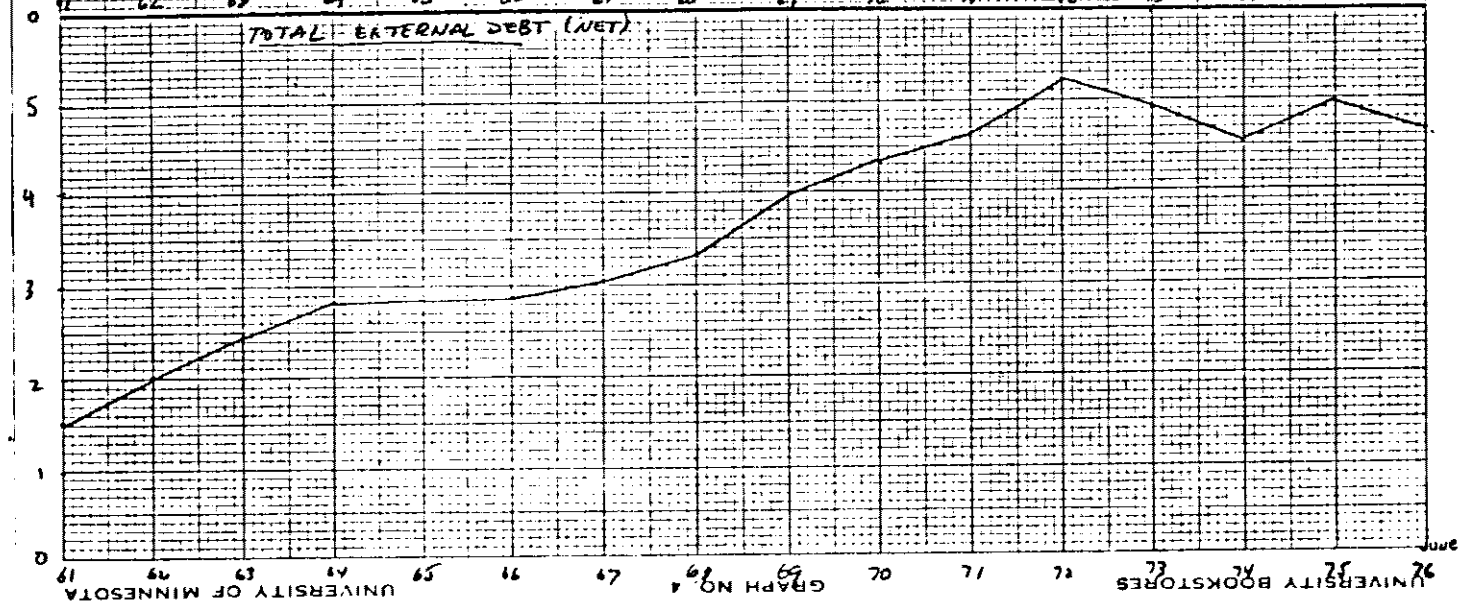


EXHIBIT 14 (a)
 CORPORACION DE FOMENTO DE LA PRODUCCION - CHILE

NEW YORK OFFICE

Statement of Sources and Applications of Funds
 From October 1976 to March 1977

	S O U R C E S	A P P L I C A T I O N S	
	Payment of Foreign Debt	New York Office Expenses	C.I.F. Value of Purchases
OCTOBER			
Chilean Govt. Budget Administration	9,587,758.81	181,507.75	1,407,930.05
Subsidiaries & Other Chilean Public Entities	-0-	-0-	1,516,170.43
International Development Banks	-0-	-0-	331,402.64
OCTOBER TOTALS	9,587,758.81	181,507.75	3,255,503.12
			\$ 13,024,769.68
NOVEMBER			
Chilean Govt. Budget Administration	3,978,951.41	147,691.50	1,958,642.30
Subsidiaries & Other Chilean Public Entities	-0-	-0-	1,474,175.06
International Development Banks	-0-	-0-	304,174.30
NOVEMBER TOTALS	3,978,951.41	147,691.50	3,736,991.60
			\$ 7,863,634.57
DECEMBER			
Chilean Govt. Budget Administration	12,386,404.65	313,689.80	691,087.82
Subsidiaries & Other Chilean Public Entities	-0-	-0-	11,077,437.01
International Development Banks	-0-	-0-	101,196.55
DECEMBER TOTALS	12,386,404.65	313,689.80	11,869,721.38
			\$ 24,569,815.83
JANUARY			
CORFO - Santiago	7,697,252.00	151,276.32	2,276,515.40
Subsidiaries & Other Chilean Public Entities	-0-	-0-	6,218,113.67
International Development Banks	-0-	-0-	176,697.78
JANUARY TOTALS	7,697,252.00	151,276.32	8,671,326.85
			\$ 16,519,855.17

S O U R C E S

A P P L I C A T I O N S

FEBRUARY

CORFO - Santiago
Subsidiaries & Other Chilean Public Entities
International Development Banks

FEBRUARY TOTALS

MARCH

CORFO - Santiago,
Subsidiaries & Other Chilean Public Entities
International Development Banks

MARCH TOTALS

TOTAL OCTOBER 1976 TO MARCH 1977

Payment of
Foreign Debt

New York
Office Expenses

C.I.F. Value
of Purchases

2,186,202.83	259,583.37	5,702,002.91
-0-	-0-	18,290,181.34
-0-	-0-	96,210.86
2,186,202.83	259,583.37	24,088,395.11
		\$ 26,534,181.31
4,523,717.37	170,366.72	977,468.40
-0-	-0-	24,771,479.59
-0-	-0-	285,505.93
4,523,717.37	170,366.72	26,034,453.92
		\$ 30,728,538.01
40,360,287.07	1,224,115.46	77,656,391.98
		\$ 119,240,794.57

Re: EXHIBIT 14 (a)

This schedule shows the relationship between the disbursements made by Corfo New York and the funds received, grouped into three major payment categories.

The nomenclature has been changed from that of previous reports but remains the same in substance. The sources of funds are:

- 1) Chilean Government Budget Administration: received during the months of October to December 1976 through Central Bank of Chile by order of the General Treasurer's Office and represents Government budget allocations to Corfo.
- 2) Subsidiaries and Other Public Entities: received through the Chilean commercial banks by order of various Affiliates Subsidiaries, Ministries and other Public Entities for which this office acts as purchasing agent and represents funds generated by these entities.
- 3) International Development Banks: received from International Bank for Reconstruction and Development, Interamerican Development Bank, Agency for International Development, Export Import Bank of the United States and represents the proceeds of loans granted to Corfo and affiliates.
- 4) Corfo - Santiago: received from January to March, 1977 from our main office in lieu of government's budget allocations and represents funds generated by our corporation in Chile.

The payment categories, or application of funds, were:

- 1) Repayment of Foreign Debt previously referred to as " Services of External Debt " represents payments made to creditors and incidental bank charges.
- 2) New York Office expenses represent payments made to cover administrative cost of maintaining the New York Office of Corfo and Affiliates and their supporting staff.
- 3) C.I.F. Value of Purchases previously detailed as Materials, Freight and Insurance, etc. cover the full value of Purchase Orders processed during the period.

CORPORACION DE FOMENTO DE LA PRODUCCION - N.Y. OFFICE

EXHIBIT N°14(a)

APRIL-SEPTEMBER 1976

SOURCE & APPLICATION OF FUNDS

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTALS
1) Banco Central de Chile							
2) External Debt Service	\$12,873,134.93	\$3,240,928.42	\$10,999,231.26	\$43,709,765.92	\$7,258,877.61	\$3,847,914.75	\$81,929,852.89 ✓
1) Banco Central de Chile							
2) New York Office Expenses	125,396.81	231,418.35	73,157.38	220,937.51	145,556.24	110,745.91	907,212.00
1) Banco Central de Chile							
2) Bank Charges	1,296.72	1,655.75	3,261.38	2,953.96	73,477.18	23,334.80	105,979.79
1) Banco Central de Chile							
2) Materials & Freight	1,614,487.02	466,506.58	667,103.91	1,103,398.30	580,240.51	1,499,748.98	5,931,485.30
1) Chilean Commercial Banks							
2) Materials & Freight	1,172,528.46	1,227,659.01	925,260.08	519,579.82	908,841.24	1,058,394.89	5,812,263.50
1) I.D.B. & I.B.R.D.							
2) Materials & Freight	349,395.46	761,353.05	288,344.00	186,855.37	257,148.75	300,800.00	2,143,896.93
TOTALS.....	\$16,136,239.40	\$5,929,521.40	\$12,956,358.01	\$45,743,490.68	\$9,224,141.53	\$6,840,939.33	\$96,850,690.41

- 1) SOURCE
2) APPLICATION

EXHIBIT No. 15 (a)

April 1/76 to Sept. 30/76

<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
	Salaries and other office overhead exp.		\$635,412.03
PINE GRAPHICS, INC.	Printing	\$ 1,548.84	
"	"	1,290.00	
"	"	1,708.74	
"	"	2,145.00	
"	"	2,802.11	
"	"	2,017.37	
"	"	520.00	
"	"	1,464.59	
"	"	1,162.45	
			14,659.10
SERGIO UNDURRAGA	Travel Expenses	125.51	
"	"	300.00	
"	"	130.58	
MANUF. HANOVER TRUST CO.	"	299.30	
ENRIQUE BARRAZA	"	65.00	
SERGIO UNDURRAGA	"	161.74	
RICARDO CORSE.	"	39.00	
AMERICAN EXPRESS	"	129.12	
SERGIO UNDURRAGA	"	20.00	
ENRIQUE BARRAZA	"	24.00	
ISIDORO PALMA	"	56.00	
JOAQUIN PRIET	"	654.50	
AMERICAN EXPRESS	"	140.74	
			2,145.49

Sub-Total:

\$652,216.62

EXHIBIT No. 15 (a)April 1/76 to Sept. 30/76

<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
SERGIO UNDURRAGA	Public Relations	\$ 279.95	
RICARDO CORSEN	"	45.00	
EDUARDO SCHIJMAN	"	23.43	
INHILCO, INC.	"	97.20	
SERGIO UNDURRAGA	"	221.50	
RADIO TV REPORTS, INC.	"	81.00	
JOAQUIN PRIETO	"	49.55	
ENRIQUE BARRAZA	"	32.20	
EDUARDO SCHIJMAN	"	66.76	
THE CLUB AT THE W.T.C.	"	45.78	
RADIO TV REPORTS, INC.	"	16.20	
EDUARDO SCHIJMAN	"	26.35	
GEORGE M KRAMER FLOWERS, INC.	"	50.73	
SERGIO UNDURRAGA	"	132.20	
RICARDO CORSEN	"	53.25	
AMERICAN EXPRESS	"	180.43	
RICARDO CORSEN	"	41.00	
COMITE ESMERALDA	"	250.00	
MISION DE CHILE EN NACIONES U.	"	700.00	
AMERICAN EXPRESS	"	369.13	
RICARDO CORSEN	"	41.25	
JOAQUIN PRIETO	"	30.75	
"	"	48.00	
THE CLUB AT THE W.T.C.	"	350.78	
INHILCO, INC.	"	97.20	
THE CLUB AT THE W.T.C.	"	100.83	
RICARDO CORSEN	"	43.00	
THE CLUB AT THE W.T.C.	"	558.64	
AMERICAN EXPRESS	"	17.00	
THE VENEZUELAN AMR. ASSOC. OF THE U.S.	"	45.00	
THE CLUB AT THE W.T.C.	"	71.94	
"	"	56.46	
			\$ 4,222.51

Sub-Total:

\$656,439.13

EXHIBIT No. 15 (a)April 1/76 to Sept. 30/76

<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
EDGAR MAHN (Return to Chile)	Fares & Freight	\$ 1,353.00	
AMERICAN AIRLINES	"	104.11	
NEPTUNE WORLD WIDE MOVING	"		
(E. Mahn return to Chile) *	"	4,185.76	
PAULSEN & GUICE *	"	675.88	
CHILEAN LINE *	"	7,861.89	
AMERICAN AIRLINES	"	138.30	
EASTERN AIRLINES	"	605.48	
PAULSEN & GUICE LTD.	"	547.50	
DINERS CLUB	"	266.50	
AMERICAN AIRLINES	"	72.00	
ISIDORO PALMA	"	1,500.00	
AMERICAN AIRLINES	"	419.60	
AMERICAN EXPRESS	"	72.00	
AMERICAN AIRLINES	"	36.00	
P. & G. TRAVEL SERVICE, INC.	"	72.00	
AMERICAN AIRLINES	"	72.00	
AMERICAN EXPRESS	"	36.00	
LAN CHILE AIRLINES	"	1,423.00	
AMERICAN AIRLINES	"	72.00	
"	"	144.00	
LAN CHILE AIRLINES	"	710.00	
AMERICAN EXPRESS	"	72.00	
PHILIPPINE AIRLINES	"	2,440.72	
AMERICAN AIRLINES	"	216.00	
			<u>\$ 23,095.74</u>
			<u>Sub-Total: \$679,534.87</u>

EXHIBIT No. 15 (a)

April 1/76 to Sept. 30/76

<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
CHILEAN EMBASSY - April	Secretarial services		
" "	" "	\$ 3,500.00	
" "	" "	3,977.48	
" "	" "	3,815.20	
" "	" "	3,673.50	
" "	" "	3,690.29	
" "	" "	3,797.14	
May			
June			
July			
August			
Sept.			
			\$ 22,453.61
			\$ 701,988.48

E X H I B I T No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Oct. 1/76 to March 30/77		Salaries & other office overhead expenses.		\$ 636,285.03
Oct. 21/76	Misc. Expenses (Cash)	Fares & Freight	73.50	
Oct. 25/76	American Airlines	"	488.00	
Nov. 19/76	Lufthansa German Airlines	"	1,503.00	
Nov. 22/76	American Airlines	"	70.00	
Dec. 8/76	American Airlines	"	148.00	
Jan. 11/77	American Airlines	"	353.00	
Jan. 13/77	Paulssen & Guice Travel Serv.	"	256.00	
Jan. 26/77	Chilean International Airlines	"	710.00	
Feb. 24/77	American Airlines	"	74.00	
Feb. 24/77	Chilean International Airlines	"	710.00	
Mar. 7/77	Eduardo Schijman	"	61.00	
Mar. 14/77	Isidoro Palma	"	76.00	
Mar. 14/77	American Airlines	"	398.00	
Mar. 15/77	Eduardo Schijman	"	76.00	
Mar. 18/77	Isidoro Palma	"	72.00	
Mar. 23/77	American Airlines	"	72.00	
Mar. 25/77	Sergio Undurraga	"	14.00	
Mar. 25/77	American Airlines	"	428.00	5,582.50
Oct. 14/76	American Express Co.	Travel Expenses	198.82	
Nov. 9.76	Sergio Undurraga	"	30.00	
Nov. 18/76	American Express Co.	"	622.95	
Nov. 19/76	Sergio Undurraga	"	640.00	
Dec. 15/76	Ricardo Corssen	"	170.58	
Dec. 22/76	Ricardo Corssen	"	76.20	
Jan. 3/77	Eduardo Schijman	"	99.00	
Jan. 11/77	Roberto Hempel	"	300.00	
Jan. 11/77	The Hertz Corporation	"	65.24	
Jan. 14/77	S. Undurraga & J. Prieto	"	78.00	2,081.97
		Sub-total		\$ 643,949.50

E X H I B I T No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Jan. 14/77	Roberto Hempel	Travel Expenses	Forwarded 240.00	\$ 643,949.50
Jan. 18/77	American Express Co.	"	276.47	
Feb. 7/77	Ricardo Corssen	"	213.86	
Feb. 17/77	Joaquin Prieto	"	700.00	
Jan. 20/77	Isidoro Palma	"	900.00	
Jan. 25/77	American Airlines	"	74.00	
Jan. 26/77	Sergio Undurraga	"	600.00	
Feb. 25/77	Sergio Undurraga	"	60.00	
Mar. 7/77	Eduardo Schijman	"	31.90	
Mar. 8/77	Ricardo Corssen	"	77.88	
Mar. 14/77	Isidoro Palma	"	23.00	
Mar. 14/77	Ricardo Corssen	"	49.65	
Mar. 14/77	Joaquin Prieto	"	80.00	
Mar. 15/77	Eduardo Schijman	"	45.00	
Mar. 18/77	Isidoro Palma	"	49.85	
Mar. 25/77	American Express Co.	"	105.86	
Mar. 25/77	Sergio Undurraga	"	40.00	
			3,766.29	
Oct. 6/76	Fine Graphics, Inc.	Printing	870.00	
Oct. 12/76	Fine Graphics, Inc.	"	1,393.68	
Oct. 14/76	Fine Graphics, Inc.	"	835.00	
Oct. 21/76	Eduardo Schijman	"	24.60	
Nov. 4/76	Fine Graphics, Inc.	"	1,474.24	
Nov. 5/76	Misc. Expenses (Cash)	"	20.41	
Nov. 23/76	Fine Graphics, Inc.	"	1,510.00	
Dec. 6/76	Eduardo Schijman	"	26.90	
Dec. 8/76	Fine Graphics, Inc.	"	3,468.50	
Jan. 3/77	Eduardo Shijsman	"	45.06	
			6,545.11	
Sub-total				\$ 654,260.90

EXHIBIT No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Jan. 13/77	Fine Graphics, Inc.	Printing	Forwarded 4,557.98	\$ 654,260.90
Jan. 14/77	Eduardo Schijman	"	9.80	
Jan. 14/77	Eduardo Schijman	"	38.05	
Feb. 10/77	Fine Graphics, Inc.	"	1,924.46	
Jan. 15/77	Fine Graphics, Inc.	"	670.00	
Mar. 7/77	Fine Graphics, Inc.	"	780.00	
Mar. 9/77	Eduardo Schijman	"	31.65	
Mar. 14/77	Fine Graphics, Inc.	"	2,036.56	
Mar. 25/77	Fine Graphics, Inc.	"	810.00	
			13,981.78	
Oct. 19/76	The Club at the W.T.C.	Public Relations	190.98	
Oct. 20/76	The Club at the W.T.C.	"	196.20	
Oct. 21/76	E. Schijman & R. Corssen	"	112.27	
Oct. 25/76	Inhlico Inc.	"	1,800.09	
Nov. 16/76	Ricardo Corssen	"	102.00	
Nov. 18/76	The Club at the W.T.C	"	39.69	
Nov. 19/76	Sergio Undurraga	"	120.00	
Dec. 6/76	Eduardo Schijman	"	61.27	
Dec. 10/76	Joaquin Prieto	"	80.20	
Dec. 22/76	American Exprress Co.	"	632.64	
Jan. 3/77	The Club at the W.T.C.	"	67.69	
Jan. 3/77	Ricardo Corssen	"	80.10	
Jan. 3/77	Eduardo Schijman	"	58.07	
Jan. 11/77	Inhlico Inc.	"	1,743.02	
Jan. 11/77	Overseas Press Club of America	"	10.00	
Jan. 14/77	Isidoro Palma	"	40.00	
Jan. 19/77	The Club at the W.T.C.	"	334.02	
Feb. 3/77	Inhlico Inc.	"	178.42	
Feb. 14/77	Misc. Expenses (Cash)	"	101.77	
Feb. 14/77	George M. Kramer Flowers	"	29.50	
Feb. 23/77	The Club at the W.T.C.	"	215.75	
Sub-total			6,193.68	
			\$ 674,436.36	

EXHIBIT No. 15 (a)

<u>DATE</u>	<u>TO WHOM PAID</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>TOTAL</u>
Feb. 24/77	The Club at the W.T.C.	Public Relations	Forwarded 674.10	\$ 674,436.36
Mar. 9/77	Eduardo Schijman	"	34.20	
Mar. 15/77	Joaquin Prieto	"	107.50	
Mar. 25/77	The Club at the W.T.C.	"	181.71	
Mar. 25/77	Joaquin Prieto	"	15.79	1,013.30
Oct. 5/76	Embajada de Chile	Secretarial Serv. &	3,781.82	22,370.14
Nov. 3/76	Embajada de Chile	Other	3,728.19	
Dec. 6/76	Embajada de Chile	"	3,819.55	
Jan. 3/77	Embajada de Chile	"	3,729.24	
Feb. 3/77	Embajada de Chile	"	3,811.34	
Mar. 4/77	Embajada de Chile	"	3,500.00	
		Total		\$ 697,819.80

SHORT-FORM REGISTRATION STATEMENT

SECTION A

The Department records list active short form registration statements for the following persons of your organization filed on the date indicated by each name. Please show below whether each person is still functioning in the same capacity directly on behalf of the foreign principal. If not, show date of termination.


Corporacion de Fomento de la Produccion
Reg. No. 401

		ACTIVE?		IF YES - ANY MAJOR CHANGES?		IF DATE ENDS
		Yes?	No?	Yes?	No?	
Edgar Mahn	Filed 2/17/71 Director		X			
Mariane A. Pastor	Filed 2/19/74 President		X			
Ricardo Corssen	Filed 9/26/74 Vice President	X			X	
Sergio Undurraga	Filed 3-29-75 President	X			X	
Joaquín Prieto	Filed 4-23-76 Vice President	X			X	
Isidoro Luis A. Palma	4-27-77 Filed Asst. to the President	X			X	
Jorge Fernando Claro	Economic Counselor to Chilean Embassy	X			X	

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principal(s) who have not as yet filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity. If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to us describing the activities and connection with the foreign principal.)

Name	Function	Date Hired
Jorge Fernando Claro	Economic Counselor to the Chilean Embassy	2-15-77

Signature: 
Title: Ricardo Corssen
Vice President

Date: April 27, 1977

UNITED STATES DEPARTMENT OF JUSTICE
REGISTRATION UNIT
CRIMINAL DIVISION
WASHINGTON, D. C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your supplemental statement:

1. Is your answer to Item 16 of Section V (Political Propaganda - page 7 of Form OBD-64 - Supplemental Statement):

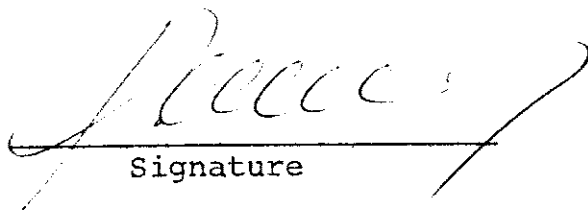
Yes x or No

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

Yes or No

(If your answer to question 2 is "yes" please forward for our review copies of all such material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)


Signature

April 27, 1977

Date

Ricardo Corssen

Please type or print name of
signatory on the line above

Vice President

Title